

Martin and Cruz Pinellas are residents of Puerto Rico who use the filing status Married Filing Jointly. They are both under 65 and neither is blind. Martin earned \$18,120 in wages from an accounting firm located in Puerto Rico and Cruz earned \$25,893 in wages from the U.S. government. They have a joint bank account in Puerto Rico that earned \$1,200 interest.

Based on the facts given, compute the Pinellas' allowable standard deduction by completing their Worksheet for Puerto Rico Filers with Exempt Income under Section 933 Who Do Not Itemize Deductions.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

**Who Must File Worksheet** for Bona Fide Residents of P.R. with exempt income (under section 933)

**1. Enter STANDARD DEDUCTION**

If your filing status is \_\_\_\_\_

**Single**

under 65 enter \$5,450 \_\_\_\_\_

65 or older enter \$6,800 \_\_\_\_\_

**Married filing jointly**

both under 65 enter \$10,900 \_\_\_\_\_

one 65 or older enter \$11,950 \_\_\_\_\_

both 65 or older enter \$13,000 \_\_\_\_\_

**Head of household**

under 65 enter \$8,000 \_\_\_\_\_

65 or older enter \$9,350 \_\_\_\_\_

**Qualifying widow(er) with dependent child**

under 65 enter \$10,900 \_\_\_\_\_

65 or older enter \$11,950 \_\_\_\_\_

**CAUTION:** If someone can claim you as a dependent, enter amount from the Standard Deduction Worksheet for Dependents in the instructions for Form 1040 or Form 1040A, as applicable.

**2. Allowable portion of STANDARD DEDUCTION**

a. Gross income subject to U.S. tax (include taxable social security benefits) \_\_\_\_\_

b. Total gross income from all sources (including exempt P.R. Income) \_\_\_\_\_

c. Divide line 2a by line 2b \_\_\_\_\_

d. Multiply STANDARD DEDUCTION (line 1) by line 2c \_\_\_\_\_

**3. Enter:**

married filing jointly \$7,000 \_\_\_\_\_

if someone can claim you as a dependent enter "0" \_\_\_\_\_

all others enter \$3,500 \_\_\_\_\_

**4. Add lines 2d and 3** \_\_\_\_\_

**Worksheet For Puerto Rico Filers With Exempt Income Under Section 933 Who Do Not Itemize Deductions**

**1. Enter STANDARD DEDUCTION:** If you checked Form 1040, Filing Status box

1, enter \$5,450 \_\_\_\_\_

2 or 5, enter \$10,900 \_\_\_\_\_

3, enter \$5,450 \_\_\_\_\_

4, enter \$8,000 \_\_\_\_\_

**CAUTION:** If you are 65 or over and/or blind, enter amount from chart in the instructions for Form 1040 or Form 1040A, as applicable;

**or**

If someone can claim you as a dependent, enter amount from the Standard Deduction Worksheet for Dependents in the instructions for Form 1040 or Form 1040A, as applicable.

**2. Allowable portion of STANDARD DEDUCTION:**

a. Gross income subject to U.S. tax \_\_\_\_\_

b. Total gross income from all sources (including exempt P.R. income) \_\_\_\_\_

c. Divide line 2a by line 2b \_\_\_\_\_

d. Multiply Standard Deduction (line 1) by line 2c and enter this amount  
on Form 1040, line 40 or Form 1040A, line 24 (allowable portion of  
STANDARD DEDUCTION) \_\_\_\_\_

Write the following above line 40, Form 1040 or line 24 of Form 1040A: "Standard Deduction modified due to exempt income under section 933."